

REMARKS/ARGUMENTS

Procedural History

The Examiner mailed a first office action on January 14, 2004, which included rejections under 35 U.S.C. §§101, 102 and 103. Applicant filed an amendment and response to the office action on April 29, 2004. In response to the §§102 and 103 rejections, Applicant provided a detailed point-by-point rebuttal of each of the Examiner's rejections. In response, the Examiner copied verbatim his rejections contained in the first office action, and summarily dismissed Applicant's entire response, providing essentially no response to Applicant's detailed arguments. (See Final Office Action, mailed August 11, 2004). In view of the procedural peculiarity of the Examiner's response, Applicant was granted an interview in which to discuss the rejections. On November 2, 2004, Applicant and Applicant's undersigned attorney conducted a telephone interview with Examiner Dass and Supervising Examiner Sough.

It was agreed that Applicant would submit the present amendment after final to discuss some of the issues raised in the interview. It was also agreed that Examiner Dass would provide an Interview Summary. Applicant did not receive an interview summary. In order to avoid any further delay, Applicant filed a response and amendment on January 11, 2005, the 2-month extension deadline. By the 3-month extension deadline, Applicant still had not received any response from Examiner Dass. Applicant thus filed a notice of amendment to preserve rights on February 10, 2005. Finally, on March 7, 2005, Applicant received an interview summary and an office action. However, the office action did not substantively address any of the arguments presented by Applicant. Rather, the Examiner issued an advisory action indicating that none of the amendments would be entered.

In a subsequent telephone interview Examiner Dass indicated that the amendment addressed new issues of patentability and would require a new search. Applicant has thus filed the present request for continued examination and accompanying amendment to have the present amendments entered and have the arguments considered.

Applicant does not believe any fee is due with this response. Should any fee be due, the Patent Office is authorized to charge deposit account 07-1896.

The Examiner's immediate attention and prompt response to this amendment is respectfully requested.

§101 Rejections

The Examiner rejected claims 1-52 on the basis that the claims did not recite a connection to the use of a computer or other technology. The Examiner has requested the Applicant point out which steps may have a connection to a computer. Applicant has followed the Examiner's instructions and has amended each of the independent claims to specifically indicate that certain steps are performed "by use of a computer system." Since all independent claims now contain limitations directly related to use of a computer system, Applicants respectfully assert that the §101 rejection has been overcome.

§102 and 103 Rejections

The Examiner rejected claims 1-3, 5-11, 13-24, 26-30, 32-39, 41-46 and 48-52 under 35 U.S.C. §102(e), as being anticipated by U.S. Patent No. 6,321,205 of Eder ("Eder"), and rejected claims 4, 12, 25, 31, 40 and 47 under §103(a), as being unpatentable over Eder in view of U.S. Patent No. 6,456,982 of Pilipovic ("Pilipovic").

These rejections were discussed and rebutted in great detail in the Amendment and Response to Office Action mailed on April 29, 2004, which is incorporated herein by reference. In the interest of concision, the following discussion will focus on two key elements that are present in each of the dependent claims and that were discussed during the interview on November 2, 2004. The two key elements are:

- 1. determining a present value of a *future financial value stream*; and**
- 2. developing a data structure where assumed variables that have an influence on the future financial value streams are influenced by *future or past events***

A. Eder does not disclose determining value of future financial value streams

The claimed inventions all include limitations regarding the analysis of future financial *value streams*.¹ Eder does not determine the value of individual future financial value streams, but rather focuses on determining the overall worth of a business enterprise at a point in time.

This difference is reflected in the questions that Eder and the present invention address:

1. Eder addresses the question: “What is my company worth, and how can that value be allocated to tangible and intangible assets?”
2. By contrast, the present invention addresses the question: “What is the potential value that a specific value stream can generate, and how might that value change over time if certain events happen or do not happen?”

The methods disclosed in Eder focus on calculating an overall valuation for the enterprise as of a point in time, and decomposing that enterprise value into tangible and intangible elements of value, such that the assets on a company’s balance sheet are stated not at the lower of cost or market value in accordance with generally-accepted accounting

¹ See, for example and without limitation, Claim 1: “determining, by use of a computer system, a first present value of the future financial value stream of the business enterprise...”; Claim 9: “determining, by use of a computer system, a present value of each future financial value stream...”; Claim 17: “determining, by use of a computer system, a first present value of the future financial value stream of the business enterprise...”; Claim 21: “determining, by use of a computer system, a present value of the future financial value stream of the business enterprise...”; Claim 29: “determining, by use of a computer system, a first present value of the future financial value stream of the business enterprise...”; Claim 37: “determining, by use of a computer system, a present value of the future financial value stream of the business enterprise...”; Claim 44: “determining, by use of a computer system, a first present value of the future financial value stream of the business enterprise...”

principles, but are revalued based on their contribution to overall enterprise value. This is not a calculation of value of a future financial value stream.²

In contrast to Eder, the methods claimed in the present invention operate *not* at the level of the enterprise, but at the level of individual value streams. A value stream model is created that links variables and events, in such a way that as events occur or do not occur, the impact on the value potential of the individual value stream can be tracked over time. (Note: This model is reflected in each independent claim. Particularly, each independent claim includes a limitation of a data structure that includes one or more assumed variables that have an influence on one or more future financial value streams of the business enterprise. **No such data structure exists in Eder.**)

During the interview, these differences were illustrated by using the example of a pharmaceutical company involved in drug development:

1. Using the methods disclosed in the present invention, one could construct a model of the total value a specific drug could potentially generate over time (e.g., the “future financial value stream”). The model is constructed using variables and events, in such a way that each variable is linked to at least one past or future event.

2. In contrast, using the methods disclosed in Eder, one could determine the overall valuation of the pharmaceutical company as a whole as of a specific date in time. One could *not* use the methods disclosed in Eder to model the value potential value of a specific drug in the pharmaceutical company example. In particular:

Eder does not track revenue at the level of individual value streams, which in the case of a drug company would be the specific drugs under development. **Eder specifically notes that revenue is tracked at the level of the enterprise only. (Col. 11, lines 25-26, and Col 19, lines 18-21: “...there is only one revenue component per**

² A value stream for a business enterprise is defined in the present invention as “an aggregation of financial and non-financial benefits flowing to the business and arising from a minimum set of activities that are necessary to give rise to the benefits.” (Pending App. at page 9).

enterprise; therefore, the enterprise definition automatically defines the revenue component”).)

b) Eder does not in any way anticipate the claimed methods relating to modeling individual value streams based on “events”.

Key to the claimed methods of the present invention is the relationship between value streams and events. In the present invention, each assumption that is used to calculate a value stream is tied to one or more past or future events. The present invention is described as being “event-driven”, in that each assumption is linked to one or more past or projected events that have or are expected to influence the related assumption.³ A key aspect of the analysis provided by the present invention is the degree to which the occurrence or non-occurrence of events changes the expected benefits associated with a value stream.

The concept of “events” as key variables is entirely absent from Eder. The word “event” only occurs once in the Eder specification (C15, L39) as one attribute of sales management systems. There is no suggestion anywhere in Eder that the components of value, elements of value, or value drivers (i.e., item variables and item performance indicators) are in any way tied to events.

Eder does mention in C17, L54-55 that some of the data used in an Eder model will relate to the future. However, the use of future-oriented data, or more generally doing calculations related to future time periods, is not the same as relating assumptions to events. It is important to distinguish between time, or subdivisions of time, and events. It is true that all events occur in time. It is also true that if an event occurs, it does so at a specific time.

³ See, for example and without limitation, Claims 1, 17, 21, 29, 37, 44: “developing a data structure, by use of a computer system, including one or more assumed variables that have an influence on a/the future financial value stream of the business enterprise and *at least one future or past event linked to each assumed variable that influences the corresponding assumed variable*”; Claim 9: “developing a data structure, by use of a computer system, including a plurality of future financial value streams, each future financial value stream having one or more assumed variables that have an influence on a future financial value stream of the business enterprise *and at least one future or past event linked to each assumed variable that influences the corresponding assumed variable...*”

However, whether events occur or do not occur, or whether they occur when anticipated, are variables that are independent of time, or sub-divisions of time per se.

These distinctions were discussed in the interview in the context of the utility of the present invention. One example of the utility of the present invention, is that it can be used to assist managers of a business to make decisions concerning optimization of the value potential of individual value streams.

Because all variables in a value stream model are linked to events, the total value potential of the value stream will change when an event occurs or does not occur based on the assumptions built into the model.

The models of the present invention therefore help those responsible for optimizing the long-term value potential of a value stream to track the impact specific events could have on the long-term value potential, and plan actions that would take advantage of potential favorable events, or would mitigate the consequences of adverse events.

For example, if managers of our pharmaceutical company example had constructed a value stream model for Drug A in accordance with the invention, they would be able to use the value stream model to understand the impact that specific events could have on the long-term value potential that Drug A could generate.

For instance, if a competitive product were under consideration for approval by the FDA, the occurrence or non-occurrence of such approval would clearly be an event would affect the value potential of Drug A. The magnitude of the effect would depend on the values assigned to the variables linked to this event in the value stream model.

If the value potential of all drugs under development by the company were modeled in accordance with the invention, senior executives and the Board of Directors would be able to understand the total future potential of all drugs under development. They would be able to assess the impact of different assumptions about key events. Over time, they would be able to track the achievement of that potential as events unfolded time.

Since Eder does not even mention events anywhere in relation to the variables used in the methods disclosed by Eder, it is therefore not possible to conclude, as the Office Action indicates, that Eder discloses “developing a data structure including one or more assumed variables that have an influence on a future financial value stream of the business enterprise and at least one future or, [sic] past event for each assumed variable that influences the corresponding assumed variable.”

Because Eder does not disclose elements present in each of the independent claims (e.g., determination of future financial value streams, and a data structure that links assumed variables to past and future events), Eder cannot anticipate any of the pending claims.

The Examiner rejected claims 4, 12, 25, 31, 40 and 47 as unpatentable over Eder in view of Pilopovic. Because all of the references rely on the assumption that Eder discloses the data structure element of the claimed inventions, which includes the value stream and event-based components that have previously been discussed, the rejections of all of these claims must fail. That is, the combination cannot teach all of the elements of the claimed invention (e.g., the data structure, value stream and event-based modeling elements). Therefore, the rejections should be withdrawn with respect to these claims.

For all of these reasons, Applicants respectfully request all rejections to be withdrawn.

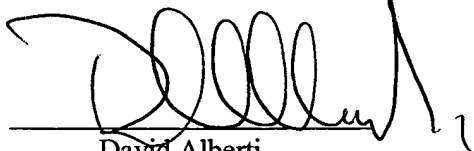
CONCLUSIONS

Applicant's invention is both novel and nonobvious over Eder and Pilopovic for all of the various reasons set forth above. Eder, Pilopovic and the combination of the two do not teach each and every element of any of Applicant's claimed inventions.

For all of these reasons and for all of the reasons contained in Applicant's amendment and response of April 29, 2004, Applicant respectfully asserts that all of claims 1-52 are now in condition for allowance. The Examiner's early reconsideration is respectfully requested. If the Examiner has any questions, the Examiner is invited to contact Applicants' attorney at the following address or telephone number:

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Respectfully submitted,

A handwritten signature in black ink, consisting of a series of loops and a final vertical stroke, positioned above a horizontal line.

David Alberti
Reg. No. 43,465

Dated: April 4, 2005